

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
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FISCAL IMPACT STATEMENT

LS 7123

BILL NUMBER: SB 412

DATE PREPARED: Feb 4, 2002

BILL AMENDED: Feb 4, 2002

SUBJECT: Unfair Practices Concerning Motor Vehicles.

FISCAL ANALYST: James Sperlik

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FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) This bill authorizes automobile manufacturers or distributors to enter into agreements with their Indiana franchisees to establish uniform warranty reimbursement policies for the performance of warranty repairs by franchisees. It specifies that the definition of distributor or manufacturer does not include a recreational vehicle manufacturer.

Effective Date: July 1, 2002.

Explanation of State Expenditures: The Bureau of Motor Vehicles (BMV) is to receive copies of the contracts entered into by the manufacturer and the franchisees, along with a certification regarding the reimbursement costs recovered. The BMV also is to maintain a file that contains the information upon which the certification required is based for a period of three years after the certification is made. For the BMV, there may be costs associated with the provisions of this proposal, but they are expected to be minimal. The fund affected is the Motor Vehicle Highway Account which supports the BMV.

Explanation of State Revenues: *Penalty Provision:* IC 9-23-6-1 provides for a Class B misdemeanor for violation of this article.

If additional court cases occur and fines are collected, revenue to both the Common School Fund and the State General Fund would increase. The maximum fine for a Class B misdemeanor is \$1,000. Criminal fines are deposited in the Common School Fund. If the case is filed in a circuit, superior, or county court, 70% of the \$120 court fee that is assessed and collected when a guilty verdict is entered would be deposited in the State General Fund. If the case is filed in a city or town court, 55% of the fee would be deposited in the State General Fund.

Explanation of Local Expenditures: *Penalty Provision:* A Class B misdemeanor is punishable by up to 180 days in jail. The average daily cost to incarcerate a prisoner in a county jail is approximately \$44.

Explanation of Local Revenues: *Penalty Provision:* If additional court actions occur and a guilty verdict is entered,

local governments would receive revenue from the following sources: (1) The county general fund would receive 27% of the \$120 court fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund. (2) A \$3 fee would be assessed and, if collected, would be deposited into the county law enforcement continuing education fund. (3) A \$2 jury fee is assessed and, if collected, would be deposited into the county user fee fund to supplement the compensation of jury members.

State Agencies Affected: Bureau of Motor Vehicles.

Local Agencies Affected: Trial courts, local law enforcement agencies.

Information Sources: